

## EPA's Ozone Decision Misguided, Bad Policy

By Governor Haley Barbour

The U. S. Environmental Protection Agency (EPA) has reduced a key air pollution standard, the National Ambient Air Quality Standard (NAAQS) for Ozone, by more than ten percent, from an effective standard of 84 parts per billion (ppb) to 75 ppb. Ozone in the air is a precursor to smog and unhealthy air pollution.

This decision is both ill-conceived and misguided. While a reduction may be superficially appealing as “pro-environment,” it is bad public policy.

This decision punishes states and locales that have worked hard and effectively to meet the current standard, while it does absolutely nothing to address ozone pollution reduction in current non-attainment areas.

About half of Americans live in so-called non-attainment areas, where ozone in the air exceeds the current standard. The most effective way to improve human health and the environment would be to bring non-attainment areas into attainment, yet EPA's decision to lower the standard not only fails to address ozone pollution reduction in these huge non-attainment areas; it actually eases the pressure to reduce smog-producing ozone in the areas with the poorest air quality.

How? Non-attainment areas are subject to economic sanctions and regulations that disadvantage them in competing for projects that create jobs and expand the local economy, while areas in attainment aren't burdened by these sanctions. Today non-attainment areas have a good reason to try to get into attainment: Attainment would make it easier to create jobs for their citizens and grow their economies.

EPA's decision eliminates that incentive to do what it takes to get into attainment by meeting the current standard. Why? Because a large number of areas that were in attainment will now be put under the same burdens as the worst polluted locales. Hence the places with the most polluted air no longer have the economic incentives to clean their air because the places with which they compete will be put under the same sanctions as they. The places where the most good can be done for human health and clean air will now be relieved of a major regulatory incentive to take effective action against air pollution.

For states that have reached or maintained ozone pollution below the current national standard, this is a stab in the back. States like Missouri and Indiana, who have worked hard to reach attainment, will be forced back under the same punishments as areas that have made little or no progress; some of which, by the way, are the loudest advocates of lowering the standard. That's no surprise when one realizes that states perpetually over the clean air standard gain a big leg up in competing with the Missouris and Indianas, who've done what EPA asked them to do to protect their people's health and their environment.

To add insult to injury, Senate Environment Committee Chairperson Senator Barbara Boxer of California objects to EPA's not lowering the ozone standard even more. That's easy for her to say since the vast majority of Californians live in areas so far over the current 84 ppb standard that they won't get into attainment for decades, if ever. Her state is a big winner from the EPA decision, not because it will make the air cleaner in the Golden State. No, California's economic development victory is solely the result of many counties' with whom California competes for jobs and projects, being punished with significant sanctions, even though some of those areas have met the present standard through strenuous and successful efforts to clean up their air.

In Mississippi we will find our Gulf Coast counties thrown into non-attainment, resulting in economic sanctions that make it harder to recover from Katrina. How ironic (read: stupid) for the United States Government, which has provided more than a hundred billion dollars to help the states slammed by this worst natural disaster in American history, to now make it much harder for our Gulf Coast counties to create jobs, improve public infrastructure and grow their economies!

Similarly, at a time when the national economy is softening, if not shrinking, it is plain dumb to stifle economic growth, as this decision clearly will. Congress has passed a more than \$150 billion stimulus package; the Fed has cut interest rates three times and flooded the capital markets with hundreds of billions in liquidity . . . to the point of driving the dollar down steeply; yet EPA is slamming its foot on the economic brake in hundreds of locales across America. Of course, the worst harmed areas will be the counties that today have vibrant growth and job creation. EPA's decision will quash that growth.

Furthermore, as families and businesses across America struggle to pay energy bills, the decision to lower the ozone standard is at odds with what basic economics tells us – more energy supply, both in quantity and variety, is needed. Yet EPA is restricting new energy production from affordable sources, like coal, in areas where more people live and more energy is needed. It is estimated that electricity demand is expected to increase about 19% in the next decade while production is expected to grow just 6%. While energy conservation is a minor part of the solution, the Federal Government should be enacting policies that encourage increasing domestic energy production, as more energy availability will be critical towards attracting jobs and providing economic growth and stability. EPA's ruling is a move in the opposite direction.

The Bush Administration says EPA is not allowed to take any of these common sense issues into consideration because of the way the Clean Air Act is written. If so, Congress should change the law. Until then Mississippi will contest this wrong headed decision in the courts. All other aggrieved states, of which there are many, are invited to join us.

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Haley Barbour is Governor of Mississippi.